

USE OF THE GOVERNMENT PURCHASE CARD IN VHA

- 1. REASON FOR ISSUE:** This Veterans Health Administration (VHA) Directive provides policy regarding the use of the Government Purchase Card within VHA.
- 2. SUMMARY OF CONTENTS:** The Government Purchase Card must be used in VHA in accord with the policies in this Directive. Networks and facilities are authorized to develop operational procedures which will produce the most efficient local organization to implement this Directive.
- 3. RELATED ISSUES:** VHA Handbook 1730.1, Government Purchase Card Program in VHA.
- 4. RESPONSIBLE OFFICE:** The VHA Chief Financial Officer (17) is responsible for the material contained in this Directive. Questions may be addressed to 202-273-5303.
- 5. RESCISSION:** None.
- 6. RECERTIFICATION:** This document is scheduled for re-certification on or before the last working day of May 2008.

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1. PURPOSE. This Veterans Health Administration (VHA) Directive establishes policy for the use of the Government Purchase Card within VHA, in conjunction with the Department of Veterans Affairs (VA) Directive 4080. Procedures are contained in VHA Handbook 1730.1, Use and Management of the Government Purchase Card Program.

2. POLICY. It is VHA policy that all VHA employees must utilize the Government Purchase Card for all micro-purchases (those under \$2,500 or under \$2,000 for construction). ***NOTE:** To the maximum extent practicable, warranted individuals need to aggressively promote the use of purchase cards as the method of payment for all purchases, especially for those under the simplified acquisition threshold (currently \$100,000).*

3. RESPONSIBILITIES

a. **Chief Financial Officer.** The VHA Chief Financial Officer is responsible for the implementation and oversight of the Government Purchase Card Program within VHA. Facilities are authorized to make only those changes that will strengthen oversight and provide a more efficient organization.

b. **Veterans Integrated Service Network (VISN) Director and/or Facility Director.** The Network Director and/or the facility Director has responsibility for the implementation of the local Government Purchase Card Program, including:

(1) Ensuring that the Purchase Card Program is implemented in accordance with this Directive.

(2) Determining the most efficient organization for the program, including location of the Program Coordinator, also called the Agency or Organization Program Coordinator (A/OPC), based upon local situations.

(3) Naming a Program Coordinator, Billing Officer, and Dispute Officer. All the individuals named must actually perform these duties and these duties must be part of their performance plans.

c. **Program Coordinator.** The Program Coordinator cannot be a cardholder or an approving official. The Program Coordinator is responsible for:

(1) Implementing the program by ensuring contract compliance with the Purchase Card Program Contractor's rules and regulations.

(2) Disseminating appropriate sections of the coordinators guide to the Billing and Dispute officials.

(3) Ensuring appropriate training has been provided.

(4) Taking appropriate action (see VA Handbook 5021) when a cardholder terminates employment or violates purchase card procedures.

(5) Being the designated point of contact for facility receipt of all new purchase cards.

(6) Performing daily maintenance on-line to set up or modify cardholder and Approving Official accounts in the Purchase Card Provider's proprietary system and in the Integrated Funds Distribution Control Point Activity Accounting and Procurement System's (IFCAP's) registration menu.

d. **Dispute Officer**. The Dispute Officer is responsible for monitoring billing errors, disputed payments, credits, etc. that are not resolved with the vendor within 30 days or when the dispute cannot be resolved by using Citibank Form CB003, Government Cardholder Dispute form. The Dispute Officer cannot be a cardholder.

e. **Billing Officer**. The local Billing Officer (normally the Fiscal Officer or equivalent) cannot be a cardholder and is responsible for:

(1) Ensuring that single purchase and monthly purchase limits are within fund control limits and that the Head of Contracting Activity (HCA) is notified of all cardholders with single purchase limits that exceed \$2500.

(2) Establishing default code strings and merchant codes for all purchase cards and submitting the codes to the A/OPC.

(3) Performing joint reviews, with the A/OPC and HAC designee, of cardholders and approving officials to ensure compliance with applicable policy and procedures.

(4) Ensuring the Financial Services Center (FSC) Quality Review Staff's random monthly quality review is completed, the review is accurate, and it is returned to the FSC in a timely manner.

(5) Ensuring that rebates are credited to the correct appropriation.

(6) Providing training to cardholders on correct costing procedures, reconciliation procedures, and receipt records maintenance.

(7) Being the final certifying authority on the legitimacy of any item to be procured.

(8) Using all applicable collection procedures, including salary offset, to collect amounts due from the cardholder for inappropriate procurements, if the goods cannot be returned for full credit.

(9) Monitoring reconciliation of the cardholder payments with IFCAP orders, including reviewing the year-to-date accruals each month, to ensure that proper actions are taken on undelivered or partially delivered orders.

f. **Cardholder.** The cardholder is responsible for the following duties which, if a Critical Element in the current position, must be included in the individual's performance plan:

(1) Attending appropriate acquisition training and signing VA Form 0242, Government-wide Purchase Card Certification, to become the Contracting Officer of record for any purchase made with the card.

(2) Following activation instructions provided when the card is issued.

(3) Complying with all Federal, VA, and local regulations or policy (see par.4).

(4) Verifying funds availability prior to making a purchase and complying with the single purchase limit and monthly limits placed on the card.

(5) Paying only reasonable prices and ensuring that any premium is justified and documented.

(6) Reconciling (i.e., matching) the payment charges from the Purchase Card Contractor to the IFCAP order in a timely manner as defined in Handbook 1730.1.

(a) Ensuring charges and orders match within the tolerance established or researching differences in excess of the tolerance with the vendor, and annotating all differences in the "comment" field of the IFCAP order.

(b) Reviewing and taking necessary action on unmatched payments, including pending credits and partial deliveries, pending beyond 10 days (or normal shipping time) to ensure full receipt or further action.

(c) Disputing every unreconciled payment over 30 days old with the Purchase Card Contractor unless a credit or delivery is imminent.

(d) Ensuring that each undelivered order and partial delivery is completed within a reasonable time or the obligation is reduced and reconciled or cancelled.

(7) Providing the Approving Official with applicable electronic or paper documentation to enable certification of payment.

(8) Maintaining appropriate receipt records in accordance with VA Manual MP-4, Part V, Appendix X, Item No. 5-1c.

(9) Safeguarding the card and not allowing others to utilize the card.

(10) Using the purchase card for all micropurchases except for the items noted in Handbook 1730.1.

(11) Notifying the Purchase Card Contractor's Customer Service, the local A/OPC, and the Approving Official immediately if the card is lost or stolen.

(12) Turning in the card to the A/OPC in accordance with facility procedures, and providing the Approving Official (AO) with records of outstanding orders and unreconciled charges prior to leaving service.

g. **AO.** AO has the following responsibilities, which must be included as a Critical Element in the individual's performance plan because proper performance is required to protect the government's financial interests:

(1) Attending acquisition training appropriate for AOs and signing VA Form 0242 to indicate acceptance of responsibility.

(2) Recommending individuals to the HCA for appointment as cardholders and setting their single and monthly purchase limits in conjunction with the HCA, A/OPC, and the Billing Office.

(3) Monitoring the activities of the cardholders to ensure Federal, VA, and local acquisition regulations are followed and applicable documentation is maintained. This includes ensuring adequate funds were available, purchases made were for the items designated for that card, the cardholders' single purchase limits were not exceeded, and purchases were not split to avoid that limit, and reconciliations were accurate and in a timely manner.

(4) Ensuring alternates complete reconciliations in a timely manner for absent employees including the pending orders of departed cardholders, and the cards of departed cardholders are cancelled promptly to prevent misuse.

(5) Approving or returning, as appropriate, the reconciled and completely received orders in a timely manner, as noted in Handbook 1730.1. Approval certifies that the procurement is legal and proper and that all items paid for have been received.

h. **HCA.** The local HCA (normally, the Logistics Officer, or equivalent) is responsible for:

(1) Appointing contracting officers and purchase card holders in accordance with the VA Acquisition Regulation (VAAR) for authority exceeding \$2,500, or in accordance with the Government Purchase Card Procedures Guide for authority of \$2,500 or less. This includes preparing VA Form 0242, obtaining the appropriate signatures, and maintaining the forms in an appropriate manner.

(2) Training card holders and approving officials on contracting issues

(3) Auditing cardholders and approving officials in conjunction with the A/OPC and Billing Officer to ensure compliance with applicable policy and procedures.

(4) Reviewing the FSC's random monthly quality review samples, verifying compliance with VAAR and Federal Acquisition Regulation (FAR), and reporting non-compliance to the appropriate management level for corrective action.

4. REFERENCES

a. Federal Acquisition Regulation (FAR) and VA Acquisition Regulation (VAAR).

- b. The Treasury Financial Manual (FM).
- c. The Federal Information Resources Management Regulation (FIRMR).
- d. International Merchants Purchase and Authorization Cards (IMPAC) Purchase Card Procedures Guide, dated February 1996.
- e. MP-4, Part X, Records Control Schedule, Office of Finance and Information Resource Management.
- f. VA Directive 4080, Use of the Government Purchase Card.